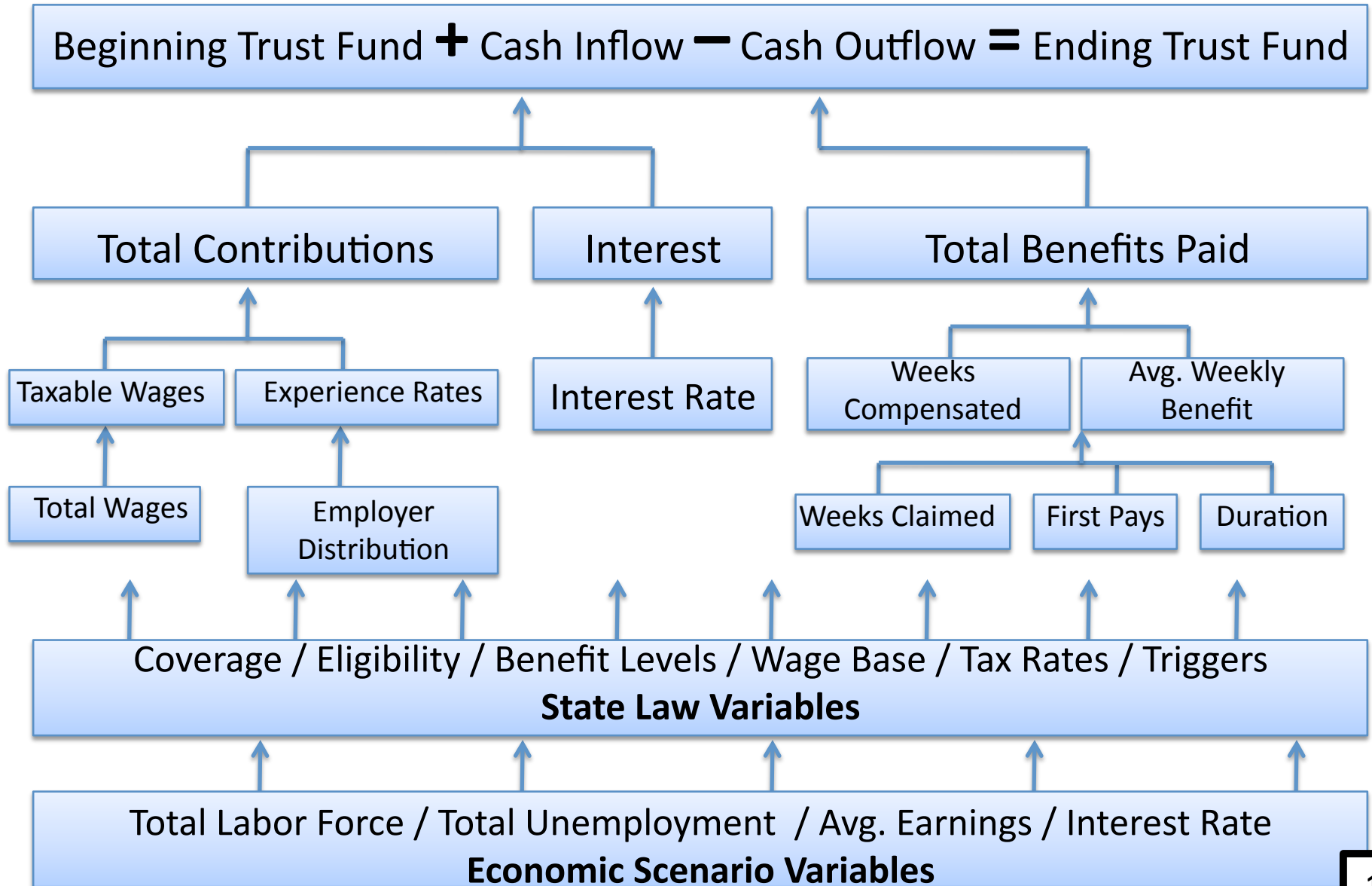


Unemployment Insurance System Modeling

11/13/09 FOR MORE INFORMATION, VISIT OUR WEBSITE AT:
[HTTP://HAWAII.GOV/LABOR](http://hawaii.gov/labor)



STATE LAW VARIABLES/ALTERNATIVES TO UI TAX INCREASE

4-Year Projections (2010 - 2011 - 2012 - 2013)

11/13/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR
WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

ALTERNATIVES TO UI TAX INCREASE / Department of Labor and Industrial Relations / 4-Year Projections (2010 - 2011 - 2012 - 2013)

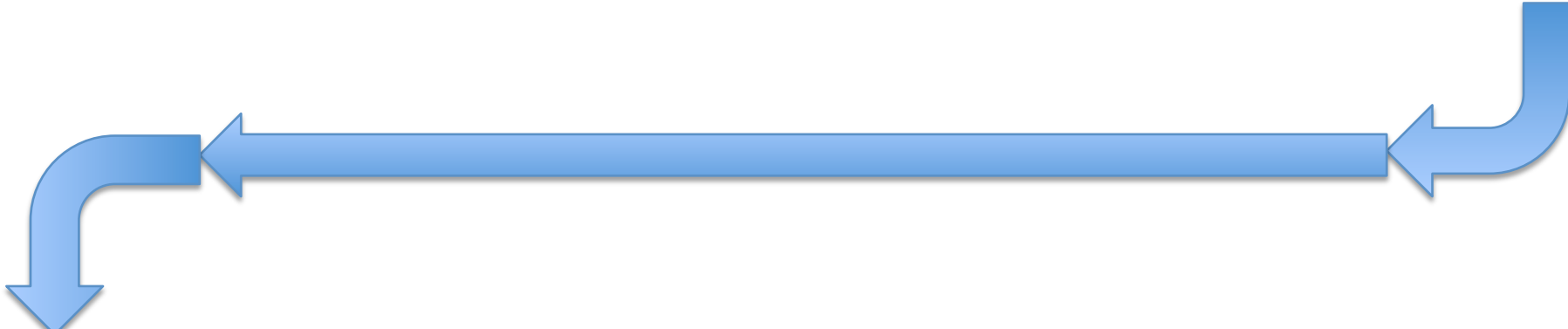
SUMMARY CHARTS (see www.hawaii.gov/labor/ui/taxalternatives for detailed worksheets)

	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
													Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
CURRENT LAW			2009	7.4%	\$387	\$121	\$257	\$42		A	\$13,000	0%	0.70%	5.40%	\$0	\$90	\$700				Current Law Projections	
			2010	8.1%	\$409	<\$12>	\$0	\$381	\$275		F	\$37,800	1.20%	2.75%	5.40%	\$180	\$1,040	\$2,040				
			2011	7.5%	\$385	\$54	\$0	\$585	\$450	N.A.	H	\$37,900	2.40%	3.90%	5.40%	\$360	\$1,480	\$2,050	N.A.	N.A.		N.A.
			2012	6.6%	\$348	\$203	\$0	\$806	\$493		H	\$38,500	2.40%	3.90%	5.40%	\$360	\$1,500	\$2,080				
			2013	5.9%	\$316	\$345	\$0	\$633	\$446		G	\$39,400	1.80%	3.30%	5.40%	\$270	\$1,300	\$2,130				
Alt #	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	Tax Schedule	Set "E" as default	2010	8.1%	\$409	<\$67>	\$0	\$381	\$221	\$54	E	\$37,800	0.60%	2.20%	5.40%	\$90	\$830	\$2,040	\$90	\$210	\$0	High negative balance and interest. See Note 4. (Pages 8, 14)
			2011	7.5%	\$385	<\$186>	\$7	\$585	\$266	\$184	E	\$37,900	0.60%	2.20%	5.40%	\$90	\$830	\$2,050	\$270	\$650	\$0	
			2012	6.6%	\$348	<\$256>	\$11	\$606	\$278	\$215	E	\$38,500	0.60%	2.20%	5.40%	\$90	\$850	\$2,080	\$270	\$650	\$0	
			2013	5.9%	\$316	<\$283>	\$12	\$633	\$289	\$157	E	\$39,400	0.60%	2.20%	5.40%	\$90	\$870	\$2,130	\$180	\$430	\$0	
2	Tax Schedule	Set "E" for 2010	2010	8.1%	\$409	<\$67>	\$0	\$381	\$221	\$54	E	\$37,800	0.60%	2.20%	5.40%	\$90	\$830	\$2,040	\$90	\$210	\$0	2010 tax relief only (Pages 9, 15)
			2011	7.5%	\$385	<\$12>	\$1	\$585	\$440	\$10	H	\$37,900	2.40%	3.90%	5.40%	\$360	\$1,480	\$2,050	\$0	\$0	\$0	
			2012	6.6%	\$348	\$135	\$0	\$606	\$493	\$0	H	\$38,500	2.40%	3.90%	5.40%	\$360	\$1,500	\$2,080	\$0	\$0	\$0	
			2013	5.9%	\$316	\$272	\$0	\$633	\$446	\$0	G	\$39,400	1.80%	3.30%	5.40%	\$270	\$1,300	\$2,130	\$0	\$0	\$0	
3	Tax Schedule	Set "E" for 2010; "G" for 2011	2010	8.1%	\$409	<\$67>	\$0	\$381	\$221	\$54	E	\$37,800	0.60%	2.20%	5.40%	\$90	\$830	\$2,040	\$90	\$210	\$0	2010 & 2011 tax relief; low debt service; negative tax relief in 2013. (Pages 9, 16)
			2011	7.5%	\$385	<\$74>	\$3	\$585	\$378	\$72	G	\$37,900	1.80%	3.30%	5.40%	\$270	\$1,250	\$2,050	\$90	\$230	\$0	
			2012	6.6%	\$348	\$60	\$0	\$606	\$482	\$11	H	\$38,500	2.40%	3.90%	5.40%	\$360	\$1,500	\$2,080	\$0	\$0	\$0	
			2013	5.9%	\$316	\$262	\$0	\$633	\$513	<\$67>	H	\$39,400	2.40%	3.90%	5.40%	\$360	\$1,540	\$2,130	<\$90>	<\$240>	\$0	
4	Tax Schedule / Adequate Reserve	Change Adequate Reserve (AR) multiplier from 1.5 to 1.0 from 2011	2010	8.1%	\$409	<\$12>	\$0	\$381	\$275	\$0	F	\$37,800	1.20%	2.75%	5.40%	\$180	\$1,040	\$2,040	\$0	\$0	\$0	No immediate tax relief because fund balance is so low. (Pages 10, 17)
			2011	7.5%	\$385	\$54	\$0	\$390	\$450	\$0	H	\$37,900	2.40%	3.90%	5.40%	\$360	\$1,480	\$2,050	\$0	\$0	\$0	
			2012	6.6%	\$348	\$137	\$0	\$404	\$428	\$65	G	\$38,500	1.80%	3.30%	5.40%	\$270	\$1,270	\$2,080	\$90	\$230	\$0	
			2013	5.9%	\$316	\$200	\$0	\$422	\$371	\$75	F	\$39,400	1.20%	2.75%	5.40%	\$180	\$1,080	\$2,130	\$90	\$220	\$0	
5	Tax Schedule / Adequate Reserve	Adjust AR multiplier from 1.5 to 1.0 and set "E" for 2010 and "G" for 2011	2010	8.1%	\$409	<\$67>	\$0	\$381	\$221	\$54	E	\$37,800	0.60%	2.20%	5.40%	\$90	\$830	\$2,040	\$90	\$210	\$0	Balance of tax relief and adjustments. (Pages 11, 20)
			2011	7.5%	\$385	<\$74>	\$3	\$390	\$378	\$72	G	\$37,900	1.80%	3.30%	5.40%	\$270	\$1,250	\$2,050	\$90	\$230	\$0	
			2012	6.6%	\$348	\$60	\$0	\$404	\$482	\$11	H	\$38,500	2.40%	3.90%	5.40%	\$360	\$1,500	\$2,080	\$0	\$0	\$0	
			2013	5.9%	\$316	\$195	\$0	\$422	\$446	\$0	G	\$39,400	1.80%	3.30%	5.40%	\$270	\$1,300	\$2,130	\$0	\$0	\$0	
6	Wage Base	Change Taxable Wage Base from 100% to 50% of average annual wage	2010	8.1%	\$409	<\$98>	\$0	\$381	\$190	\$85	F	\$18,900	1.20%	2.75%	5.40%	\$180	\$520	\$1,020	\$0	\$520	\$1,020	Low wage employers will not benefit; high negative balance and interest due. See Note 4. (Pages 10, 18)
			2011	7.5%	\$385	<\$171>	\$7	\$585	\$312	\$138	H	\$19,000	2.40%	3.90%	5.40%	\$360	\$740	\$1,030	\$0	\$730	\$1,020	
			2012	6.6%	\$348	<\$178>	\$7	\$606	\$343	\$150	H	\$19,300	2.40%	3.90%	5.40%	\$360	\$750	\$1,040	\$0	\$750	\$1,040	
			2013	5.9%	\$316	<\$135>	\$6	\$633	\$357	\$89	H	\$19,700	2.40%	3.90%	5.40%	\$360	\$770	\$1,060	<\$90>	\$530	\$1,070	
7	Benefits	Change maximum weeks of benefits from 26 weeks to 20 weeks	2010	8.1%	\$369	\$29	\$0	\$381	\$275	\$0	F	\$37,800	1.20%	2.75%	5.40%	\$180	\$1,040	\$2,040	\$0	\$0	\$0	No immediate tax relief because fund balance is so low. No tax relief until 2012. (Pages 11, 19, 21)
			2011	7.5%	\$346	\$133	\$0	\$585	\$450	\$0	H	\$37,900	2.40%	3.90%	5.40%	\$360	\$1,480	\$2,050	\$0	\$0	\$0	
			2012	6.6%	\$313	\$256	\$0	\$606	\$428	\$65	G	\$38,500	1.80%	3.30%	5.40%	\$270	\$1,270	\$2,080	\$90	\$230	\$0	
			2013	5.9%	\$284	\$360	\$0	\$633	\$374	\$72	F	\$39,400	1.20%	2.75%	5.40%	\$180	\$1,080	\$2,130	\$90	\$420	\$0	
8A	Benefits	Change MWBA formula from 75% to 70% of average wklly wage (70% from 2011); See Note 2	2010	8.1%	\$396	\$1	\$0	\$381	\$275	\$0	F	\$37,800	1.20%	2.75%	5.40%	\$180	\$1,040	\$2,040	\$0	\$0	\$0	No tax relief. (Pages 22, 25)
			2011	7.5%	\$385	\$67	\$0	\$585	\$450	\$0	H	\$37,900	2.40%	3.90%	5.40%	\$360	\$1,480	\$2,050	\$0	\$0	\$0	
			2012	6.6%	\$348	\$217	\$0	\$606	\$493	\$0	H	\$38,500	2.40%	3.90%	5.40%	\$360	\$1,500	\$2,080	\$0	\$0	\$0	
			2013	5.9%	\$316	\$360	\$0	\$633	\$446	\$0	G	\$39,400	1.80%	3.30%	5.40%	\$270	\$1,300	\$2,130	\$0	\$0	\$0	
8B	Benefits	Change MWBA formula from 75% to 60%. See Note 2	2010	8.1%	\$361	\$36	\$0	\$381	\$275	\$0	F	\$37,800	1.20%	2.75%	5.40%	\$180	\$1,040	\$2,040	\$0	\$0	\$0	No tax relief until 2012. (Pages 23, 26)
			2011	7.5%	\$362	\$125	\$0	\$585	\$450	\$0	H	\$37,900	2.40%	3.90%	5.40%	\$360	\$1,480	\$2,050	\$0	\$0	\$0	
			2012	6.6%	\$328	\$233	\$0	\$606	\$428	\$65	G	\$38,500	1.80%	3.30%	5.40%	\$270	\$1,270	\$2,080	\$90	\$230	\$0	
			2013	5.9%	\$298	\$323	\$0	\$633	\$374	\$72	F	\$39,400	1.20%	2.75%	5.40%	\$180	\$1,080	\$2,130	\$90	\$420	\$0	
8C	Benefits	Change MWBA formula from 75% to 50%. See Note 2	2010	8.1%	\$329	\$68	\$0	\$381	\$275	\$0	F	\$37,800	1.20%	2.75%	5.40%	\$180	\$1,040	\$2,040	\$0	\$0	\$0	No tax relief until 2012. (Pages 23, 27)
			2011	7.5%	\$331	\$188	\$0	\$585	\$450	\$0	H	\$37,900	2.40%	3.90%	5.40%	\$360	\$1,480	\$2,050	\$0	\$0	\$0	
			2012	6.6%	\$300	\$327	\$0	\$606	\$428	\$65	G	\$38,500	1.80%	3.30%	5.40%	\$270	\$1,270	\$2,080	\$90	\$230	\$0	
			2013	5.9%	\$272	\$447	\$0	\$633	\$374	\$72	F	\$39,400	1.20%	2.75%	5.40%	\$180	\$1,080	\$2,130	\$90	\$420	\$0	

CURRENT LAW

11/13/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR
WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
CURRENT LAW			2009	7.4%	\$387	\$121		\$257	\$42
			2010	8.1%	\$409	<\$12>	\$0	\$381	\$275
			2011	7.5%	\$385	\$54	\$0	\$585	\$450
			2012	6.6%	\$348	\$203	\$0	\$606	\$493
			2013	5.9%	\$316	\$345	\$0	\$633	\$446



Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
			Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
N.A.	A	\$13,000	0%	0.70%	5.40%	\$0	\$90	\$700	N.A.	N.A.	N.A.	Current Law Projections
	F	\$37,800	1.20%	2.75%	5.40%	\$180	\$1,040	\$2,040				
	H	\$37,900	2.40%	3.90%	5.40%	\$360	\$1,480	\$2,050				
	H	\$38,500	2.40%	3.90%	5.40%	\$360	\$1,500	\$2,080				
	G	\$39,400	1.80%	3.30%	5.40%	\$270	\$1,300	\$2,130				

TAX SCHEDULE AND ADEQUATE RESERVE ADJUSTMENTS 11/13/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
CURRENT LAW			2009	7.4%	\$387	\$121		\$257	\$42
			2010	8.1%	\$409	<\$12>	\$0	\$381	\$275
			2011	7.5%	\$385	\$54	\$0	\$585	\$450
			2012	6.6%	\$348	\$203	\$0	\$606	\$493
			2013	5.9%	\$316	\$345	\$0	\$633	\$446
Alt #	A	B	C	D	E	F	G	H	I
1	Tax Schedule	Set "E" as default	2010	8.1%	\$409	<\$67>	\$0	\$381	\$221
			2011	7.5%	\$385	<\$186>	\$7	\$585	\$266
			2012	6.6%	\$348	<\$256>	\$11	\$606	\$278
			2013	5.9%	\$316	<\$283>	\$12	\$633	\$289
2	Tax Schedule	Set "E" for 2010	2010	8.1%	\$409	<\$67>	\$0	\$381	\$221
			2011	7.5%	\$385	<\$12>	\$1	\$585	\$440
			2012	6.6%	\$348	\$135	\$0	\$606	\$493
			2013	5.9%	\$316	\$272	\$0	\$633	\$446
3	Tax Schedule	Set "E" for 2010; "G" for 2011	2010	8.1%	\$409	<\$67>	\$0	\$381	\$221
			2011	7.5%	\$385	<\$74>	\$3	\$585	\$378
			2012	6.6%	\$348	\$60	\$0	\$606	\$482
			2013	5.9%	\$316	\$262	\$0	\$633	\$513
4	Tax Schedule / Adequate Reserve	Change Adequate Reserve (AR) multiplier from 1.5 to 1.0 from 2011	2010	8.1%	\$409	<\$12>	\$0	\$381	\$275
			2011	7.5%	\$385	\$54	\$0	\$390	\$450
			2012	6.6%	\$348	\$137	\$0	\$404	\$428
			2013	5.9%	\$316	\$200	\$0	\$422	\$371
5	Tax Schedule / Adequate Reserve	Adjust AR multiplier from 1.5 to 1.0 and set "E" for 2010 and "G" for 2011	2010	8.1%	\$409	<\$67>	\$0	\$381	\$221
			2011	7.5%	\$385	<\$74>	\$3	\$390	\$378
			2012	6.6%	\$348	\$60	\$0	\$404	\$482
			2013	5.9%	\$316	\$195	\$0	\$422	\$446

TAX SCHEDULE AND ADEQUATE RESERVE ADJUSTMENTS

11/13/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR
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	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
				Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
	N.A	A F H H G	\$13,000 \$37,800 \$37,900 \$38,500 \$39,400	0% 1.20% 2.40% 2.40% 1.80%	0.70% 2.75% 3.90% 3.90% 3.30%	5.40% 5.40% 5.40% 5.40% 5.40%	\$0 \$180 \$360 \$360 \$270	\$90 \$1,040 \$1,480 \$1,500 \$1,300	\$700 \$2,040 \$2,050 \$2,080 \$2,130	N.A	N.A	N.A	Current Law Projections
Alt #	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	\$54 \$184 \$215 \$157	E E E E	\$37,800 \$37,900 \$38,500 \$39,400	0.60% 0.60% 0.60% 0.60%	2.20% 2.20% 2.20% 2.20%	5.40% 5.40% 5.40% 5.40%	\$90 \$90 \$90 \$90	\$830 \$830 \$850 \$870	\$2,040 \$2,050 \$2,080 \$2,130	\$90 \$270 \$270 \$180	\$210 \$650 \$650 \$430	\$0 \$0 \$0 \$0	High negative balance and interest See Note 4
2	\$54 \$10 \$0 \$0	E H H G	\$37,800 \$37,900 \$38,500 \$39,400	0.60% 2.40% 2.40% 1.80%	2.20% 3.90% 3.90% 3.30%	5.40% 5.40% 5.40% 5.40%	\$90 \$360 \$360 \$270	\$830 \$1,480 \$1,500 \$1,300	\$2,040 \$2,050 \$2,080 \$2,130	\$90 \$0 \$0 \$0	\$210 \$0 \$0 \$0	\$0 \$0 \$0 \$0	2010 tax relief only
3	\$54 \$72 \$11 <\$67>	E G H H	\$37,800 \$37,900 \$38,500 \$39,400	0.60% 1.80% 2.40% 2.40%	2.20% 3.30% 3.90% 3.90%	5.40% 5.40% 5.40% 5.40%	\$90 \$270 \$360 \$360	\$830 \$1,250 \$1,500 \$1,540	\$2,040 \$2,050 \$2,080 \$2,130	\$90 \$90 \$0 <\$90>	\$210 \$230 \$0 <\$240>	\$0 \$0 \$0 \$0	2010 & 2011 tax relief; low debt service; negative tax relief in 2013 alleviated by combining alternative #3 and #4 to #5.
4	\$0 \$0 \$65 \$75	F H G F	\$37,800 \$37,900 \$38,500 \$39,400	1.20% 2.40% 1.80% 1.20%	2.75% 3.90% 3.30% 2.75%	5.40% 5.40% 5.40% 5.40%	\$180 \$360 \$270 \$180	\$1,040 \$1,480 \$1,270 \$1,080	\$2,040 \$2,050 \$2,080 \$2,130	\$0 \$0 \$90 \$90	\$0 \$0 \$230 \$220	\$0 \$0 \$0 \$0	No immediate tax relief because fund balance is so low.
5	\$54 \$72 \$11 \$0	E G H G	\$37,800 \$37,900 \$38,500 \$39,400	0.60% 1.80% 2.40% 1.80%	2.20% 3.30% 3.90% 3.30%	5.40% 5.40% 5.40% 5.40%	\$90 \$270 \$360 \$270	\$830 \$1,250 \$1,500 \$1,300	\$2,040 \$2,050 \$2,080 \$2,130	\$90 \$90 \$0 \$0	\$210 \$230 \$0 \$0	\$0 \$0 \$0 \$0	Balance of tax relief and adjustments.

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FROM PAGE 4

TAXABLE WAGE BASE ADJUSTMENTS

11/13/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR
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	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
CURRENT LAW			2009	7.4%	\$387	\$121		\$257	\$42
			2010	8.1%	\$409	<\$12>	\$0	\$381	\$275
			2011	7.5%	\$385	\$54	\$0	\$585	\$450
			2012	6.6%	\$348	\$203	\$0	\$606	\$493
			2013	5.9%	\$316	\$345	\$0	\$633	\$446
Alt #	A	B	C	D	E	F	G	H	I
6	Wage Base	Change Taxable Wage Base from 100% to 50% of average annual wage	2010	8.1%	\$409	<\$98>	\$0	\$381	\$190
			2011	7.5%	\$385	<\$171>	\$7	\$585	\$312
			2012	6.6%	\$348	<\$176>	\$7	\$606	\$343
			2013	5.9%	\$316	<\$135>	\$6	\$633	\$357

CONTINUED

TAXABLE WAGE BASE ADJUSTMENTS

11/13/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR
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	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
				Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
	N.A.	A	\$13,000	0%	0.70%	5.40%	\$0	\$90	\$700	N.A.	N.A.	N.A.	Current Law Projections
		F	\$37,800	1.20%	2.75%	5.40%	\$180	\$1,040	\$2,040				
		H	\$37,900	2.40%	3.90%	5.40%	\$360	\$1,480	\$2,050				
		H	\$38,500	2.40%	3.90%	5.40%	\$360	\$1,500	\$2,080				
		G	\$39,400	1.80%	3.30%	5.40%	\$270	\$1,300	\$2,130				
Alt #	J	K	L	M	N	O	P	Q	R	S	T	U	V
6	\$85	F	\$18,900	1.20%	2.75%	5.40%	\$180	\$520	\$1,020	\$0	\$520	\$1,020	Low wage employers will not benefit from low wage base; high negative balances and interest due. See Note 4.
	\$138	H	\$19,000	2.40%	3.90%	5.40%	\$360	\$740	\$1,030	\$0	\$730	\$1,020	
	\$150	H	\$19,300	2.40%	3.90%	5.40%	\$360	\$750	\$1,040	\$0	\$750	\$1,040	
	\$89	H	\$19,700	2.40%	3.90%	5.40%	\$360	\$770	\$1,060	<\$90>	\$530	\$1,070	

CONTINUED FROM PAGE 6

BENEFITS ADJUSTMENTS

11/13/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
CURRENT LAW			2009	7.4%	\$387	\$121		\$257	\$42
			2010	8.1%	\$409	<\$12>	\$0	\$381	\$275
			2011	7.5%	\$385	\$54	\$0	\$585	\$450
			2012	6.6%	\$348	\$203	\$0	\$606	\$493
			2013	5.9%	\$316	\$345	\$0	\$633	\$446
Alt #	A	B	C	D	E	F	G	H	I
7	Benefits	Change maximum weeks of benefits from 26 weeks to 20 weeks	2010	8.1%	\$369	\$29	\$0	\$381	\$275
			2011	7.5%	\$346	\$133	\$0	\$585	\$450
			2012	6.6%	\$313	\$256	\$0	\$606	\$428
			2013	5.9%	\$284	\$360	\$0	\$633	\$374
8A	Benefits	Change MWBA formula from 75% to 70% of average wkly wage (70% from 2011); See Note 2	2010	8.1%	\$396	\$1	\$0	\$381	\$275
			2011	7.5%	\$385	\$67	\$0	\$585	\$450
			2012	6.6%	\$348	\$217	\$0	\$606	\$493
			2013	5.9%	\$316	\$360	\$0	\$633	\$446
8B	Benefits	Change MWBA formula from 75% to 60%. See Note 2	2010	8.1%	\$361	\$36	\$0	\$381	\$275
			2011	7.5%	\$362	\$125	\$0	\$585	\$450
			2012	6.6%	\$328	\$233	\$0	\$606	\$428
			2013	5.9%	\$298	\$323	\$0	\$633	\$374
8C	Benefits	Change MWBA formula from 75% to 50%. See Note 2	2010	8.1%	\$329	\$68	\$0	\$381	\$275
			2011	7.5%	\$331	\$188	\$0	\$585	\$450
			2012	6.6%	\$300	\$327	\$0	\$606	\$428
			2013	5.9%	\$272	\$447	\$0	\$633	\$374

BENEFITS ADJUSTMENTS

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	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			
				Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
	N.A.	A F H H G	\$13,000 \$37,800 \$37,900 \$38,500 \$39,400	0% 1.20% 2.40% 2.40% 1.80%	0.70% 2.75% 3.90% 3.90% 3.30%	5.40% 5.40% 5.40% 5.40% 5.40%	\$0 \$180 \$360 \$360 \$270	\$90 \$1,040 \$1,480 \$1,500 \$1,300	\$700 \$2,040 \$2,050 \$2,080 \$2,130	N.A.	N.A.	N.A.	Current Law Projections
Alt #	J	K	L	M	N	O	P	Q	R	S	T	U	V
7	\$0 \$0 \$65 \$72	F H G F	\$37,800 \$37,900 \$38,500 \$39,400	1.20% 2.40% 1.80% 1.20%	2.75% 3.90% 3.30% 2.75%	5.40% 5.40% 5.40% 5.40%	\$180 \$360 \$270 \$180	\$1,040 \$1,480 \$1,270 \$1,080	\$2,040 \$2,050 \$2,080 \$2,130	\$0 \$0 \$90 \$90	\$0 \$0 \$230 \$420	\$0 \$0 \$0 \$0	No immediate tax relief because fund balance is so low. No tax relief until 2012.
8A	\$0 \$0 \$0 \$0	F H H G	\$37,800 \$37,900 \$38,500 \$39,400	1.20% 2.40% 2.40% 1.80%	2.75% 3.90% 3.90% 3.30%	5.40% 5.40% 5.40% 5.40%	\$180 \$360 \$360 \$270	\$1,040 \$1,480 \$1,500 \$1,300	\$2,040 \$2,050 \$2,080 \$2,130	\$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0	No tax relief.
8B	\$0 \$0 \$65 \$72	F H G F	\$37,800 \$37,900 \$38,500 \$39,400	1.20% 2.40% 1.80% 1.20%	2.75% 3.90% 3.30% 2.75%	5.40% 5.40% 5.40% 5.40%	\$180 \$360 \$270 \$180	\$1,040 \$1,480 \$1,270 \$1,080	\$2,040 \$2,050 \$2,080 \$2,130	\$0 \$0 \$90 \$90	\$0 \$0 \$230 \$420	\$0 \$0 \$0 \$0	No tax relief until 2012.
8C	\$0 \$0 \$65 \$72	F H G F	\$37,800 \$37,900 \$38,500 \$39,400	1.20% 2.40% 1.80% 1.20%	2.75% 3.90% 3.30% 2.75%	5.40% 5.40% 5.40% 5.40%	\$180 \$360 \$270 \$180	\$1,040 \$1,480 \$1,270 \$1,080	\$2,040 \$2,050 \$2,080 \$2,130	\$0 \$0 \$90 \$90	\$0 \$0 \$230 \$420	\$0 \$0 \$0 \$0	No tax relief until 2012.

CONTINUED FROM PAGE 8

UNEMPLOYMENT COMPENSATION FUND PROJECTIONS 2009 THROUGH 2011
(UHERO, BOH AND FHB Unemployment Rate Projections)

Unemployment Rate Projections	2009	2010	2011	2012	2013
UHERO 9/25/2009	7.4%	8.1%	7.5%	6.6%	5.9%
Brewbaker- BOH 10/15/2009	7.9%	8.4%			
Laney - FHB 11/5/2009	7.2%	7.5%			

Note: Brewbaker and Laney only project 2009 and 2010.

Used UHERO 2011 projection of 7.5% Total Unemployment Rate (TUR).

UHERO 9/25/2009 Total Unemployment Rate forecast of 7.4% in 2009, 8.1% in 2010, 7.5% in 2011

	TUR (unadjusted)	IUR	13-wk Avg Claims	Hawaii Unemployment Compensation Fund				Avg Tax Rate	Taxable Wage Base	Avg Taxes @TWB
				INCOME	OUTGO	BALANCE				
				Taxes	Interest					
1st Qtr		3.25%	19,313	4,990,587	4,532,665	90,247,145	352,215,515*	Schedule A 0.7%	\$13,000	\$90
2nd Qtr		3.56%	21,088	21,851,384	3,484,701	100,051,509	279,785,004*			
3rd Qtr		3.52%	20,694	9,271,990	2,788,122	95,894,998	214,875,814*			
4th Qtr		3.70%	21,400	6,000,000	1,300,000	101,000,000	121,200,000			
CY 2009	7.4%	3.51%	20,600	42,100,000	12,100,000	387,200,000	121,200,000*			
1st Qtr		3.70%	21,400	4,000,000	300,000	100,000,000	26,000,000	Schedule F 2.75%	\$37,800	\$1,040
2nd Qtr		3.75%	21,700	106,000,000	200,000	102,000,000	30,000,000			
3rd Qtr		3.80%	22,000	92,000,000	200,000	105,000,000	17,000,000			
4th Qtr		3.70%	21,500	70,000,000	0	102,000,000	-15,000,000			
CY 2010	8.1%	3.74%	21,600	272,000,000	700,000	409,000,000	-15,000,000			
1st Qtr		3.50%	20,300	50,000,000	0	96,000,000	-61,000,000	Schedule H 3.90%	\$37,900	\$1,480
2nd Qtr		3.50%	20,300	158,000,000	0	96,000,000	1,000,000			
3rd Qtr		3.50%	20,300	137,000,000	400,000	96,000,000	42,000,000			
4th Qtr	(UHERO)	3.50%	20,300	104,000,000	500,000	97,000,000	50,000,000			
CY 2011	7.5%	3.50%	20,300	449,000,000	900,000	385,000,000	50,000,000			

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Brewbaker 10/15/2009 Total Unemployment Rate forecast of 7.9% in 2009, 8.4% in 2010, UHERO = 7.5% in 2011

	TUR (unadjusted)	IUR	13-wk Avg Claims	Hawaii Unemployment Compensation Fund				Avg Tax Rate	Taxable Wage Base	Avg Taxes @TWB
				INCOME	OUTGO	BALANCE				
				Taxes	Interest					
1st Qtr		3.25%	19,313	4,990,587	4,532,665	90,247,145	352,215,515*	Schedule A 0.7%	\$13,000	\$90
2nd Qtr		3.56%	21,088	21,851,384	3,484,701	100,051,509	279,785,004*			
3rd Qtr		3.52%	20,694	9,271,990	2,788,122	95,894,998	214,875,814*			
4th Qtr		4.50%	26,100	6,000,000	1,300,000	123,000,000	99,200,000			
CY 2009	7.9%	3.70%	21,800	42,100,000	12,100,000	409,200,000	99,200,000*			
1st Qtr		4.20%	24,300	4,000,000	0	114,000,000	-11,000,000	Schedule F 2.75%	\$37,800	\$1,040
2nd Qtr		4.00%	23,200	106,000,000	0	109,000,000	-14,000,000			
3rd Qtr		4.00%	23,200	92,000,000	0	110,000,000	-32,000,000			
4th Qtr		4.00%	23,200	70,000,000	0	110,000,000	-72,000,000			
CY 2010	8.4%	4.10%	21,600	272,000,000	0	443,000,000	-72,000,000			
1st Qtr		3.50%	20,300	50,000,000	0	96,000,000	-118,000,000	Schedule H 3.90%	\$37,900	\$1,480
2nd Qtr		3.50%	20,300	158,000,000	0	96,000,000	-56,000,000			
3rd Qtr		3.50%	20,300	137,000,000	0	96,000,000	-15,000,000			
4th Qtr	(UHERO)	3.50%	20,300	104,000,000	0	97,000,000	-8,000,000			
CY 2011	7.5%	3.50%	20,300	449,000,000	0	385,000,000	-8,000,000			

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Laney 11/5/2009 Total Unemployment Rate forecast of 7.2% in 2009, 7.5% in 2010, UHERO = 7.5% in 2011

	TUR (unadjusted)	IUR	13-wk Avg Claims	Hawaii Unemployment Compensation Fund				Avg Tax Rate	Taxable Wage Base	Avg Taxes @TWB
				INCOME	OUTGO	BALANCE				
				Taxes	Interest					
1st Qtr		3.25%	19,313	4,990,587	4,532,665	90,247,145	352,215,515*	Schedule A 0.7%	\$13,000	\$90
2nd Qtr		3.56%	21,088	21,851,384	3,484,701	100,051,509	279,785,004*			
3rd Qtr		3.52%	20,694	9,271,990	2,788,122	95,894,998	214,875,814*			
4th Qtr		3.30%	19,100	6,000,000	1,600,000	90,000,000	132,500,000			
CY 2009	7.2%	3.41%	20,100	42,100,000	12,400,000	376,200,000	132,500,000*			
1st Qtr		3.60%	20,800	4,000,000	400,000	98,000,000	39,000,000	Schedule F 2.75%	\$37,800	\$1,040
2nd Qtr		3.60%	20,800	106,000,000	500,000	98,000,000	48,000,000			
3rd Qtr		3.50%	20,300	92,000,000	400,000	96,000,000	44,000,000			
4th Qtr		3.50%	20,300	70,000,000	300,000	97,000,000	17,000,000			
CY 2010	7.5%	3.50%	20,600	272,000,000	1,600,000	389,000,000	17,000,000			
1st Qtr		3.50%	20,300	50,000,000	0	96,000,000	-29,000,000	Schedule H 3.90%	\$37,900	\$1,480
2nd Qtr		3.50%	20,300	158,000,000	0	96,000,000	33,000,000			
3rd Qtr		3.50%	20,300	137,000,000	400,000	96,000,000	74,000,000			
4th Qtr	(UHERO)	3.50%	20,300	104,000,000	900,000	97,000,000	82,000,000			
CY 2011	7.5%	3.50%	20,300	449,000,000	1,300,000	385,000,000	82,000,000			

Summary:

Tax schedules are still F in 2010 and H in 2011 under all three scenarios.

Brewbaker scenario: Fund balance remains negative through end of 2013.

Laney scenario: fund goes negative only in first quarter 2011.